

TRANSITION AGREEMENT

THIS TRANSITION AGREEMENT is made and entered, in duplicate, as of July 3, 2018 (the "Effective Date"), pursuant to minute orders adopted by the City Council of the City of Long Beach at its meetings on March 22, 2011 and June 19, 2018, respectively, by and between LONG BEACH MEMORIAL MEDICAL CENTER, a California nonprofit public benefit corporation, whose address is 2801 Atlantic Avenue, Long Beach, California 90806 ("Memorial"), and the CITY OF LONG BEACH, a municipal corporation ("City").

WHEREAS, City and Memorial are parties to that certain Lease No. 32175 dated as of April 29, 2011 ("Lease"), pursuant to which (i) City, as landlord, has leased to Memorial, as tenant, certain real property and improvements thereon as more particularly described therein (the "Premises"), and (ii) Memorial has operated on the Premises an acute care hospital with emergency and urgent care services known as Community Medical Center Long Beach (the "Hospital"), certain pediatric outpatient clinics and rehabilitation facilities affiliated with Miller Children's & Women's Hospital Long Beach (such outpatient clinics and rehabilitation facilities being collectively referred to herein as the "Outpatient Clinic Facilities") and certain other medical office buildings adjacent to the Hospital (the "Medical Offices").

WHEREAS, Memorial has validly exercised its right pursuant to Section 3.F of the Lease to terminate the Lease effective as of July 3, 2018 (the "Lease Termination Date").

WHEREAS, effective upon termination of the Lease on the Lease Termination Date, Memorial is ceasing to operate the Hospital and manage the Medical Offices.

WHEREAS, notwithstanding the termination of the Lease, Memorial and City desire for Memorial to continue to (i) lease from City that portion of the Premises

constituting the Outpatient Clinic Facilities, so that Memorial can continue to operate the Outpatient Clinic Facilities, and (ii) have a non-exclusive right of access to that portion of the Premises constituting the Hospital and the Medical Offices for a period of approximately ninety (90) days following the Lease Termination Date (subject to extension or earlier termination as provided in this Transition Agreement) for purposes of storing and removing Memorial's equipment and other personal property assets and, pursuant to Section 8 of the Lease, delivering the Premises (other than the Outpatient Clinic Facilities) to City in broom clean and good condition, casualty and reasonable wear and tear excepted.

WHEREAS, City has executed, or will execute concurrently with this Transition Agreement, an Exclusive Negotiation Agreement dated as of July 3, 2018 with MWN Community Hospital, LLC, a California limited liability company (or any affiliated entity, "New Operator"), to enter into negotiations with New Operator of a long-term lease that would allow New Operator to operate the Hospital and the Medical Offices after termination of the Lease.

WHEREAS, City has requested that Memorial cooperate in good faith with City in connection with (i) City's and New Operator's efforts to obtain approval from the California Department of Public Health ("CDPH") and other applicable regulators for New Operator to operate the Hospital on the Premises as an acute care hospital following termination of the Lease, including through the submission by Memorial to CDPH of a request to place Memorial's existing license to operate the Hospital in "suspense," and (ii) City's efforts to transition operation of the Hospital to New Operator following receipt by City and New Operator of all such requisite regulatory approvals.

NOW, THEREFORE, in furtherance thereof and in consideration of the faithful performance of the terms, covenants and conditions herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Lease Termination. City and Memorial acknowledge and agree that

(a) the Lease is terminated effective as of the Lease Termination Date, and (b) except for City's and Memorial's respective obligations under Subsections E, F, G and H of Section 32 of the Lease (which, by the terms of Subsection I of Section 32 of the Lease, survive termination of the Lease), City and Memorial have no further or continuing rights, privileges or obligations under or in respect of the Lease.

2. Request to Place Acute Care Hospital License in Suspense; Cooperation by Memorial.

A. Memorial confirms that by letter dated June 27, 2018, Memorial has requested that CDPH place Memorial's acute care license to operate the Hospital, license No. 930000090 (the "Facility License"), in suspense effective as of the Lease Termination Date (the "Suspension Request"). City acknowledges and understands that Memorial's Suspension Request is at all times subject to acceptance and approval by CDPH, as is any decision by CDPH to maintain the Facility License in suspense for any period of time after the Lease Termination Date. During the "Suspension Period" (as defined in Subsection B. of this Section 2) and subject to the other provisions contained in this Section 2, Memorial agrees to cooperate with City in good faith to obtain and maintain CDPH approval of the Suspension Request in accordance with CDPH regulations and policies, including through the provision by Memorial of such historical documents and information concerning the Hospital as CDPH may request in connection with its review and approval of the Suspension Request. Notwithstanding the foregoing covenant of Memorial, nothing contained in this Transition Agreement or otherwise shall obligate or be construed to obligate Memorial to operate all or any portion of the Hospital after the Lease Termination Date or to enter into any agreement to enable City, New Operator or any other person or entity to operate all or any portion of the Hospital under Memorial's Facility License.

B. If CDPH initially denies or rejects the Suspension Request or

otherwise requires Memorial at any time to surrender the Facility License, then Memorial shall have no further obligations under this Section 2. If CDPH initially accepts and approves Memorial's Suspension Request, then subject to the provisions of Subsection E. of this Section 2, Memorial shall take no action to withdraw the Suspension Request or to surrender the Facility License during the period from the Effective Date to and including January 3, 2019 (subject to extension as provided below, the "Suspension Period"); provided, however, that the Suspension Period shall, without any action required of City or Memorial, automatically be extended until April 3, 2019, if all of the following conditions have been satisfied on or prior to January 3, 2019:

i. City staff and New Operator have developed and approved a written plan for bringing the Hospital into compliance with applicable future seismic requirements and prior to the applicable deadlines imposed under the Alfred E. Alquist Hospital Seismic Safety Act of 1983, as amended (Cal. Health & Safety Code §§130000 et. seq.), and the regulations promulgated thereunder by the California Office of Statewide Health Planning and Development ("OSHPD") (such statutes and regulations being collectively referred to herein as the "California Hospital Seismic Safety Laws");

ii. City and New Operator have each executed a binding agreement for New Operator to lease and operate the Hospital as an acute care hospital and incorporating binding commitments from City, New Operator or third-party funding sources for the financing of improvements necessary for the Hospital to be brought into compliance with applicable future seismic requirements and within the timeframes required under the California Hospital Seismic Safety Laws; and

iii. City or New Operator has submitted to CDPH a

completed change in ownership (or "CHOW") application for the Facility License, including Forms HS200 and HS215A and all other documents required by CDPH in connection therewith.

C. Subject to the provisions of Subsection E. of this Section 2, during the Suspension Period, Memorial shall cooperate to the extent reasonably requested by City in connection with City's and New Operator's efforts to obtain all requisite regulatory approvals for New Operator to operate the Hospital as an acute care hospital and to transition operations of the Hospital to New Operator. The foregoing cooperation shall consist of the provision by Memorial of non-proprietary information, documents, plans or similar materials concerning the Hospital and its facilities in the possession or control of Memorial, as may be reasonably necessary for City or New Operator to obtain the necessary regulatory approvals or for New Operator to commence operations; provided, however, that:

i. such information shall be provided by Memorial on an "as-is" basis and without representation, warranty or liability of Memorial to City, New Operator or any other person or entity;

ii. nothing in this Subsection C. shall obligate Memorial to incur out-of-pocket expense or to become a party to any agreement or join in any application for any regulatory approval (other than the Suspension Request);

iii. Memorial personnel shall be entitled to provide such cooperation at a time and in a manner that does not unduly interfere with the conduct of Memorial's continuing businesses or such personnel's other employment duties; and

iv. to the extent that Memorial is required or reasonably expects to incur out-of-pocket expenses in connection with such cooperation, Memorial may condition such cooperation on City's or New Operator's

payment for or reimbursement of such out-of-pocket expenses.

D. Subject to the provisions of Subsection E of this Section 2, during the Suspension Period, Memorial shall also consider in good faith any written proposal submitted by City or New Operator to purchase, lease or otherwise take assignment of Memorial's Medicare provider numbers associated with the Hospital and/or any surplus equipment, supplies or other personal property assets used by Memorial in the operation of the Hospital prior to July 3, 2018 and that Memorial does not intend to redeploy or repurpose at any of Memorial's other hospitals or care facilities; provided, however, that:

i. Memorial shall transfer or assign such provider numbers or other such property to City or New Operator on an "as-is, where-is" basis without representation, warranty or liability of Memorial (other than as to Memorial's title to such property), and City or New Operator will execute appropriate instruments of transfer and releases of liability in connection therewith;

ii. any such transaction shall be subject to any required approval or waiver of the California Attorney General and any other applicable regulatory agency, commission or body with jurisdiction over such transaction;

iii. any such transaction shall be at a purchase price or rental equal to fair market value and otherwise structured so as not to violate any prohibition on private inurement, kickbacks or any other legal or regulatory requirement applicable to Memorial; and

iv. nothing shall preclude Memorial from retaining and redeploying or repurposing any such equipment, supplies or other assets in any other business conducted by Memorial or its affiliates, or to obligate Memorial to store or hold such equipment or assets for the benefit of City or

New Operator (it being understood that City and New Operator do not have a right of first offer, a right of first refusal or any other right to or interest in any such personal property assets prior to any purchase or lease by City or New Operator).

E. Memorial's obligations under this Section 2 shall immediately terminate and be of no further force or effect upon the occurrence of any of the following events (after which time Memorial may, unless CDPH has then already approved City's or New Operator's CHOW application in respect of the Facility License, take affirmative action to surrender the Facility License):

i. CDPH denies or subsequently withdraws its approval of Memorial's request to suspend the Facility License;

ii. As of 5 p.m. Pacific time on April 3, 2019, City and the New Operator have failed to submit to and gain approval from OSHPD of all required architectural, engineering and construction plans to bring the Hospital into compliance with the California Hospital Seismic Safety Laws;

iii. The approval of CDPH, OSHPD, the California Attorney General or any other federal or state regulator which may be required for New Operator to operate the Hospital (including, without limitation, to comply with the California Hospital Seismic Safety Laws) is denied or withdrawn by the applicable regulatory agency, department, office or commission;

iv. City or New Operator publicly announces termination of negotiations, discussions or any definitive agreement with respect to the proposed operation of the Hospital by New Operator;

v. City's or New Operator's financing commitments for the construction or installation of any seismic improvements required for the Hospital to comply with the California Hospital Seismic Safety Laws are withdrawn or terminated, and City or New Operator does not obtain

replacement financing commitments within the following sixty (60) calendar days;

vi. The proposed arrangement between City and New Operator for operation of the Hospital is determined by the City Council or the City Attorney to not involve a public purpose, or otherwise is determined by a court of competent jurisdiction to violate the legal prohibition against gifts of public funds, private inurement or similar legal restrictions;

vii. The California State Legislature, the Long Beach City Council or any other applicable legislative or regulatory body, board or agency proposes or adopts any law, ordinance or regulation that increases the obligations or potential liabilities of Memorial or further restricts Memorial as the holder of the suspended Facility License (as compared to such costs, liabilities or restrictions existing as of the Effective Date);

viii. The material breach of this Transition Agreement or the New Lease (as defined in Section 4, below) by City, and such breach continues without cure for a period of ten (10) calendar days following written notice thereof from Memorial to City;

ix. City or any of its respective officers, employees, staff, elected officials or agents make any public statement that disparages Memorial in the context of the historical operation, closure or transition of operations of the Hospital or any other matters subject to the terms of this Transition Agreement; or

x. The expiration of the Suspension Period.

3. Medical Offices. Memorial, as sublandlord, has entered into certain subleases for portions of the Premises constituting the Medical Offices as more particularly described and listed on Exhibit "A" attached hereto (the "Existing Subleases"). Effective as of the Lease Termination Date, Memorial hereby assigns the Existing Subleases to City,

and City hereby assumes and agrees to perform the obligations and duties of Memorial under the Existing Subleases and agrees to recognize the effectiveness of the Existing Subleases according to their respective terms notwithstanding the termination of the Lease. City and Memorial agree to execute and deliver such additional documents as may be reasonably requested by the other party or any of the respective sublessees to evidence the assignment and assumption described in this Section 3.

4. New Lease for Outpatient Clinic Facilities. City acknowledges that the Outpatient Clinic Facilities depicted and/or described on Exhibit "B" to this Transition Agreement will continue to be operated by Memorial or its affiliated entities after the Lease Termination Date. City, as landlord, and Memorial (or its affiliated entities), as tenant, each agree to negotiate in good faith a standard-form AIR commercial lease on terms and conditions otherwise mutually acceptable to the parties (the "New Lease"), including without limitation the payment by Memorial of a fair market value rental for that portion of the Premises constituting the Outpatient Clinic Facilities. The New Lease will be deemed to be effective as of the Lease Termination Date. Prior to the execution and delivery of the New Lease, City agrees not to disturb the current occupancy and operation of the Outpatient Clinic Facilities by Memorial. Memorial, on behalf of itself and its affiliates which may be lessees under the New Lease, agrees to subordinate the New Lease to a future ground lease between City and New Operator, provided that New Operator agrees to recognize and attorn to the terms and conditions of the New Lease, which shall become a sublease under the new ground lease.

5. License for Memorial to Continue Access to Hospital and Medical Office Premises.

A. Effective as of the Lease Termination Date and expiring at 5 p.m. Pacific time on October 5, 2018 (subject to extension or earlier termination as provided in Subsection D. of this Section 5, below, the "License Term"), City hereby grants Memorial a non-exclusive license for Memorial and its employees,

contractors and agents to access, use and occupy the Premises constituting the Hospital and the Medical Offices (the "Licensed Premises") for purposes of winding down Memorial's operations and storing and removing from such Licensed Premises equipment, supplies and other personal property owned, leased or otherwise controlled by Memorial. Memorial acknowledges and agrees that City, New Operator and their respective consultants, employees and agents shall also have access to the Licensed Premises during the License Term to conduct due diligence and take such other actions related to the potential continued operation of the Hospital and occupancy of the Licensed Premises by New Operator. City and Memorial shall reasonably cooperate with one another in good faith so that access or use of the Licensed Premises by Memorial, City and/or New Operator during the License Term shall not unreasonably interfere with the use or access of the Licensed Premises by any other party or their respective employees, contractors or agents.

B. Memorial hereby releases City, its consultants, employees and agents from any damages, costs or liabilities incurred or suffered by Memorial as a consequence of Memorial's access, use or occupancy of the Licensed Premises during the License Term, including without limitation physical injury to Memorial's employees, contractors and agents and the loss, damage or destruction of any or all of Memorial's equipment, supplies and other personal property at the Licensed Premises, except to the extent that any such injury, damage, cost or liability is caused by the negligence or intentional misconduct of City, New Operator or any of their respective consultants, employees or agents. Memorial takes the Premises granted by this License "AS IS" and with all faults. Memorial agrees to cooperate with City and abide by City's reasonable instructions and directions in respect of the maintenance, security and/or provision of utilities to the Licensed Premises during the License Term, provided that Memorial shall have the right, at Memorial's

expense and with prior notice to and approval by City (such approval not to be unreasonably withheld), to supply its own security during the License Term for purposes of protecting Memorial's equipment, supplies and other personal property assets at the Licensed Premises.

C. Memorial shall not be obligated to pay any fee to City in consideration for the License. Memorial acknowledges that the License may create a possessory interest subject to taxation and that Memorial may be liable for payment of taxes levied on such interest.

D. Memorial may terminate the License at any time prior to expiration of the License Term upon delivery of written notice to City without terminating this Transition Agreement; provided that Memorial and City shall have first received written or telephonic confirmation from CDPH that such termination will not adversely impact the suspended status of the Facility License. To the extent required by CDPH to maintain the suspended status of the Facility License during the entirety of the Suspension Period, Memorial agrees that the License Term may, at the election of City, be extended to be coterminous with the expiration of the Suspension Period, but in no event shall the License Term expire prior to October 5, 2018 without Memorial's prior written consent.

E. Memorial agrees that nothing in this Transition Agreement shall create any right in Memorial to any relocation assistance or payment pursuant to the provisions of Title 1, Division 7, Chapter 16 of the Government Code, or any successor statute, from City on the termination or expiration of the License.

F. Upon expiration of the License, Memorial shall deliver to City possession of the Licensed Premises, broom clean and in good condition, casualty and reasonable wear and tear excepted. Memorial, at Memorial's sole cost and expense, shall remove its equipment, supplies and other items from the Licensed Premises, unless City or New Operator agree otherwise in writing to take

assignment of any such equipment, supplies or other items.

G. Memorial hereby agrees to indemnify, defend and hold harmless City against any damages, costs or liabilities suffered or incurred by City in respect of (i) any physical injury to or death of any of Memorial's employees, contractors or agents occurring at or on the Licensed Premises during the License Term (except to the extent resulting from the negligence or intentional misconduct of City, New Operator or any of their respective employees, contractors or agents), or (ii) any physical damage to the Licensed Premises caused by Memorial or any of its employees, contractors or agents during the License Term in connection with the removal of Memorial's property. Memorial shall not be responsible for, and City hereby assumes and releases Memorial from, any and all liability for any damage or injury to persons or property at the Licensed Premises (including those of City, New Operator and their respective employees, contractors and agents) except to the extent of the indemnification provided by Memorial to City in this Subsection G. of this Section 5. City agrees to indemnify, defend and hold harmless Memorial against any damages or claims brought by City, New Operator or any of their respective employees, contractors or agents for injury or damage to persons or property occurring on or at the Licensed Premises during the License Term, except to the extent that any such claims are made by City within the scope of Memorial's indemnity obligation in this Subsection G.

6. Assignment. Except as described and approved herein, neither Memorial nor City shall assign or transfer this Transition Agreement or any interest herein or any right hereunder, nor delegate any duties hereunder. Any attempted assignment, transfer, delegation, or grant shall be void and any assignee, transferee, delegate, or grantee shall acquire no right or interest by reason of such attempted assignment, transfer, delegation, or grant.

7. Default. The occurrence of any one or more of the following acts shall

constitute a default by the party committing such act, if such breach, failure or action is not cured within ten (10) days after the non-defaulting party gives notice to the defaulting party of said failure, provided that if the default cannot reasonably be cured in ten (10) days, then the defaulting party shall not be in default if defaulting party begins to cure within said period, diligently proceeds to cure to completion, and cures to completion within thirty (30) days:

- A. Any attempted assignment or transfer;
- B. Failure to comply with any applicable law, rule, ordinance or regulation; or
- C. Any failure to perform any term, covenant, or condition of this Transition Agreement.

8. Remedies. Upon the occurrence of any default (which includes the failure to cure in the allowed time), the non-defaulting party shall be entitled to pursue any rights or remedies available to it by law or in equity.

9. Notices. All notices required hereunder shall be in writing and personally delivered, delivered by nationally recognized overnight courier, or deposited in the U.S. Postal Service, first class, postage prepaid, as follows:

To Memorial: Long Beach Memorial Medical Center
2801 Atlantic Avenue, PO Box 22694
Long Beach, California 90801-5694
Attention: John Bishop
Chief Executive Officer
Facsimile No. (562) 933-1111

With copies to: Memorial Health Services
17360 Brookhurst Street
Fountain Valley, California 92708
Attention: General Counsel
Facsimile No. (714) 377-3246

To City: City of Long Beach
333 West Ocean Boulevard
Long Beach, CA 90802
Attn: City Manager

With a copy to the City Attorney at the address shown for City. Change of address shall be given in the same manner as stated for other notices. Notice shall be deemed given on the date that is three (3) business days after such notice is deposited in the mail or on the date personal delivery or delivery by overnight courier is made (or refused), whichever first occurs.

10. Indemnification by City. City hereby agrees to indemnify, defend and hold harmless Memorial and its affiliates, officers, directors, members and agents from and against any and all expenses, liabilities or other obligations suffered or incurred by Memorial or any of such other persons or entities arising from or in any way relating to (a) Memorial's performance of its obligations under Section 2 of this Transition Agreement, including without limitation the holding or maintenance of the suspended Facility License for or during any period after the Lease Termination Date, and any ultimate surrender of such Facility License after the Lease Termination Date, or (b) any breach of this Transition Agreement by City.

11. Nondiscrimination. Subject to applicable laws, rules and regulations, Memorial shall not discriminate against any person or group on account of race, color, creed, religion, gender, sexual orientation, AIDS, AIDS relation condition, HIV status, age, disability or handicap, Vietnam Era veteran status, marital status, ancestry, or national origin in connection with Memorial's access, use or occupancy of the Licensed Premises during the License Term or in the discharge of its obligations under this Transition Agreement.

12. Force Majeure. In any case where either party is required to do any act, the inability of that party to perform or delay in performance of that act caused by or resulting from fire, flood, earthquake, explosion, acts of God, war, strikes, lockouts, or any other cause beyond the reasonable control of that party and not due to that party's fault or neglect shall be excused and shall not be a default hereunder. Financial inability to perform shall not be considered cause beyond the reasonable control of the party.

13. No Waiver of Rights. The failure or delay of either party to insist on strict enforcement of any term, covenant or condition herein, or to exercise any right, power, privilege, or option arising from any default shall not impair any such right, power, privilege or option or be construed or operate as or be deemed a waiver of any term, covenant or condition of this Transition Agreement, of any default, or of any right or remedy (including indemnity) that such party may have and shall not be deemed a waiver of any subsequent or other default of any term, covenant or condition hereof. Any waiver of any default by a party shall be in writing. Failure on the part of a party to require exact and complete compliance hereof shall not be construed or deemed in any manner as changing this Transition Agreement, nor shall the conduct of the parties be deemed to change this Transition Agreement. No right, power, privilege, option, or remedy of a party shall be construed as being exhausted by the exercise thereof in one or more instances.

14. Abandoned Property. If Memorial's equipment or personal property is not removed as required by Subsection F. of Section 5, then title to such property left on the Licensed Premises thirty (30) days after the expiration of the License Term shall be deemed to have been transferred to City. City shall have the right to remove, store and dispose of said property without liability therefore to Memorial or to any person claiming under Memorial, and shall have no duty to account therefore. Memorial shall pay the reasonable cost of removal, storage, sale or destruction as reasonably requested by City.

15. Regulated Substances. During the License Term:

A. Memorial shall conduct all aspects of its access, occupancy and use of the Licensed Premises in substantial accordance with all federal and state laws, rules and regulations relating to any Regulated Substance as hereafter defined, and shall obtain and maintain in good standing all licenses and permits relating to Regulated Substances to the extent required in connection with such access, occupancy and use under applicable federal and state laws, rules and regulations.

B. Memorial shall use, store, transport and dispose of Regulated Substances in substantial accordance with all applicable federal and state laws, rules and regulations relating thereto. Memorial shall obtain and maintain in good standing all required licenses and permits related to the use, storage, transportation, and disposal of Regulated Substances, and shall use commercially reasonable best efforts to assure that Memorial's employees, agents, and contractors comply with the terms of this Transition Agreement relating to Regulated Substances.

C. Memorial shall comply with all applicable requirements of the Clean Water Act (33 U.S.C. 1251 et seq.), including either obtaining its own industrial permit or complying with the applicable provisions of City's NPDES permit (No. CAS004003, as amended or renewed from time to time).

D. As used in this Section 15, "Regulated Substance" means any substance, material, or item the use, storage, or disposal of which is regulated under federal or state law, rule or regulation and includes but is not limited to:

i. Any "biohazardous waste" as defined in California Health and Safety Code Section 117635;

ii. Any "hazardous substance" as defined in California Health and Safety Code Section 108125 or the Comprehensive Environmental response, Compensation, and Liability Act of 1980 ("CERCLA")(42 U.S.C. Sections 9601 et seq.);

iii. Any "medical waste" as defined in California Health and Safety Code Section 117690;

iv. Any "pharmaceutical" as defined in California Health and Safety Code Section 117747;

v. Any "sharps waste" as defined in California Health and Safety Code Section 117755;

vi. Any "solid waste" as defined in California Public

Resources Code Section 40191;

vii. Any substance regulated under the Radiation Control Law in California Health and Safety Code Section 114960 et seq.;

viii. Any substance regulated under the Atomic Energy Act of 1954, as amended (42 U.S.C.A. Section 2011 et seq.); and

ix. Any substance the active ingredient of which is regulated under the Federal Insecticide, Fungicide and Rodenticide Act ("FIFRA") (7 U.S.C. Sections 136 et seq.).

16. Public Communications.

A. City and Memorial have collaborated on and agree to issue a joint statement or press release in the form attached hereto as Exhibit "C" to announce this Transition Agreement. Each of City and Memorial shall also use good faith efforts to conduct joint media interviews (with a representative of each party present) surrounding the announcement of this Transition Agreement.

B. During the Suspension Period and for a period of sixty (60) calendar days immediately following the expiration or termination of the Suspension Period, each of City and Memorial shall provide reasonable advance written notice (which shall not be less than 24 hours) to the other party of any written or oral statement to be issued referencing the other party (either by name or by description) and concerning the historical operation, closure or transition of the Hospital or any other matters covered by this Transition Agreement. Such other party shall have the right to review and provide comments on such statement to the issuing party. If the issuing party declines or otherwise does not incorporate comments of the reviewing party, the reviewing party shall then be free to issue its own responsive statement without the need to comply with the provisions of this Subsection B. Notwithstanding the foregoing, nothing in this Transition Agreement prohibits City, its officers and elected officials from providing timely content-neutral information to

the public regarding the Premises and the status of this Transition Agreement.

C. Each of City and Memorial shall use their reasonable good faith efforts to prevent their respective officers, directors, staff, elected officials and agents (New Operator shall be included as an agent of City for purposes of this Section 16.C.) from making or releasing any public statement that disparages the other party in the context of the historical operation, closure or transition of operations of the Hospital or any other matters covered by this Transition Agreement.

17. Term. The rights and obligations of the parties set forth in Sections 2 (Request to Place Acute Care Hospital License in Suspense; Cooperation by Memorial), 11 (Nondiscrimination), 12 (Force Majeure) and 15 (Regulated Substances) of this Transition Agreement shall terminate and be of no further force or effect upon the earlier to occur of (i) the surrender of the Facility License by Memorial in accordance with Section 2.E., or (ii) the approval by CDPH of the New Operator's CHOW application and the transfer of the Facility License (or the issuance of a new Facility License) to New Operator. The rights and obligations of the parties in the remaining provisions of this Transition Agreement shall survive in accordance with their respective terms any surrender of the Facility License by Memorial, the approval by CDPH of the New Operator's CHOW application and the transfer of the Facility License (or the issuance of a new Facility License) to New Operator, or any termination of this Transition Agreement; provided, however, that the provisions in Section 16.B and Section 16.C shall survive only for a period of sixty (60) calendar days after the last to occur of any of the preceding termination events.

18. Miscellaneous.

A. Notwithstanding anything to the contrary in this Transition Agreement, Memorial shall have the exclusive right to contest, at its sole cost, by appropriate legal proceedings diligently conducted in good faith, the amount or validity of any real estate taxes or prohibited lien; the valuation, assessment, or

reassessment (whether proposed, phased, or final) of the Licensed Premises for real estate taxes; the amount of any real estate tax; the validity of any law or its application to the Licensed Premises; or the validity or merit of any claim against which this Transition Agreement requires Memorial to indemnify City (any of the foregoing, a "Contest"). Memorial may defer payment or performance of the contested obligation pending outcome of the Contest, provided that: (i) such deferral or noncompliance shall not constitute a criminal act by City or subject City to a material risk of any fine or penalty, (ii) such deferral or noncompliance creates no material risk of a lien, charge, or other liability of any kind against the Licensed Premises, (iii) such deferral or noncompliance will not place the Licensed Premises in material danger of being forfeited or lost, (iv) such Contest shall be without cost, liability, or expense to City, (v) Memorial shall prosecute such Contest with reasonable diligence and in good faith, (vi) if required for such Contest, Memorial shall have paid the contested amount (under protest, as applicable), and (vii) if such Contest relates to any real estate tax, then such Contest shall suspend its collection from City and the Licensed Premises. At Memorial's request and at Memorial's sole cost and expense, City shall cooperate in any such Contest as reasonably required by Memorial.

B. Each party shall bear its own costs and expenses in connection with this Transition Agreement and enforcement thereof, including but not limited to attorney's fees and court costs; provided, however, that in the event of any action by either party to enforce the terms of this Transition Agreement, the prevailing party in any such action shall, in addition to any other remedies or relief granted by the court, be entitled to recover from the non-prevailing party reasonable attorneys' fees and costs.

C. This Transition Agreement shall be binding on and inure to the benefit of the parties and their respective successors, heirs, personal

representatives, subtenants and permitted assigns.

D. Whenever either party may seek or claim damages against the other party (whether by reason of a breach of this Transition Agreement by such party, in enforcement of any indemnity obligation, for misrepresentation or breach of warranty, or otherwise), neither City nor Memorial shall seek, nor shall there be awarded or granted by any court, arbitrator, or other adjudicator, any speculative, consequential, collateral, special, punitive, or indirect damages, whether such breach shall be willful, knowing, intentional, deliberate, or otherwise. The parties intend that any damages awarded to either party shall be limited to actual, direct damages sustained by the aggrieved party. Neither party shall be liable for any loss of profits suffered or claimed to have been suffered by the other.

E. City and Memorial hereby waive their respective rights to trial by jury of any contract or tort claim, counterclaim, cross-complaint or any other cause of action in any action, proceeding or hearing brought by either party against the other on any matter in any way connected with this Transition Agreement.

F. This Transition Agreement, together with the New Lease, constitutes the entire understanding between the parties and supersedes all prior negotiations, agreements and understandings, oral or written, with respect to the subject matter hereof.

G. This Transition Agreement may not be amended except in a writing duly executed by both parties.

H. This Transition Agreement shall be governed by and construed under the laws of the state of California, and no choice of laws or principles thereof shall apply.

I. The captions and numbers herein and the grouping of the provisions of this Transition Agreement into separate sections and paragraphs are for the purpose of convenience only and shall not be considered a part hereof, and

shall have no effect on the interpretation of this Transition Agreement.

J. If any term, covenant, or condition of this Transition Agreement is found to be invalid, ineffective, void, or unenforceable for any reason by a court of competent jurisdiction, the remaining terms, covenants and conditions shall remain in full force and effect.

K. Time is of the essence in this Transition Agreement and all of its provisions, subject to Force Majeure.

L. The parties agree that nothing contained in this Transition Agreement shall be deemed or construed as creating a partnership, joint venture, principal-agent relationship, association, or employer-employee relationship between them or between City or any third person or entity.

M. This Transition Agreement is created as a joint effort between the parties and fully negotiated as to its terms covenants and conditions. This Transition Agreement shall not be construed against either party as the drafter.

N. This Transition Agreement is created for the benefit of City and Memorial only and is not intended to benefit any third person or entity.

O. This Transition Agreement may be executed in counterparts. Neither party shall be bound by this Transition Agreement unless and until both parties shall have executed and delivered at least one counterpart of this Transition Agreement.

IN WITNESS WHEREOF, the parties have caused this document to be duly executed with all formalities required by law as of the date first stated above.

July 3, 2018

LONG BEACH MEMORIAL MEDICAL
CENTER, a California nonprofit public
benefit corporation

By: 

John Bishop
Chief Executive Officer

"Memorial"

CITY OF LONG BEACH, a municipal
corporation

July 3, 2018

By _____

City Manager

"City"

This Transition Agreement is approved as to form on July 3, 2018.

CHARLES PARKIN, City Attorney

By _____

Deputy

IN WITNESS WHEREOF, the parties have caused this document to be duly executed with all formalities required by law as of the date first stated above.

LONG BEACH MEMORIAL MEDICAL
CENTER, a California nonprofit public
benefit corporation

July 3, 2018

Tom Modica
Assistant City Manager

**EXECUTED PURSUANT
TO SECTION 301 OF
THE CITY CHARTER**

By: _____

John Bishop
Chief Executive Officer

"Memorial"

CITY OF LONG BEACH, a municipal
corporation

July 3, 2018

By _____



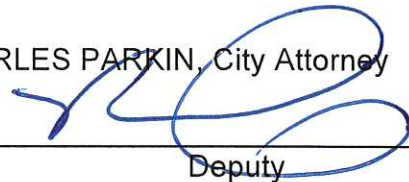
City Manager

"City"

This Transition Agreement is approved as to form on July 3, 2018.

CHARLES PARKIN, City Attorney

By _____



Deputy

EXHIBIT "A"

EXISTING SUBLEASES

1. Lease Agreement dated August 1, 2014 by and between Long Beach Memorial Medical Center, as landlord, and Ronaldo Roque, MD, as tenant.
2. Medical Office Sublease dated April 4, 2011 by and between Community Hospital of Long Beach, as landlord, and Community Hospital of Long Beach Foundation, as tenant.
3. Lease Agreement dated April 1, 2013 by and between Long Beach Memorial Medical Center, as landlord, and Michael E. Lieppman, M.D., Inc., as tenant.
4. Lease Agreement dated June 1, 2016 by and between Long Beach Memorial Medical Center, as landlord, and Alan W. Heller, M.D., as tenant.
5. Lease Agreement dated December 1, 2017 by and between Long Beach Memorial Medical Center, as landlord, and George M. Jayatilaka, M.D., Inc., as tenant.
6. Lease Agreement dated September 1, 2015 by and between Long Beach Memorial Medical Center, as landlord, and Unilab Corporation, as tenant.
7. Medical Office Sublease dated August 3, 2005 by and between Community Hospital of Long Beach, as landlord, and Marcel Daniels MD, Inc., as tenant.
8. Lease Agreement dated August 1, 2014 by and between Long Beach Memorial Medical Center, as landlord, and Long Beach Advanced Orthopedics Medical Center, Inc., as tenant.
9. Lease Agreement dated January 1, 2015 by and between Long Beach Memorial Medical Center, as landlord, and Andrew Manos, DO, Inc., as tenant.
10. Lease Agreement dated October 1, 2014 by and between Long Beach Memorial Medical Center, as landlord, and Mario San Bartolome, M.D., MBA, as tenant.
11. Lease Agreement dated October 1, 2014 by and between Long Beach Memorial Medical Center, as landlord, and West Coast Foot and Ankle Podiatric Medical Associates, Inc., as tenant.
12. Medical Office Sublease dated March 21, 2011 by and between Community Hospital of Long Beach, as landlord, and Dr. Mike Vasilomanolakis, as tenant.

EXHIBIT "B"

OUTPATIENT CLINIC FACILITIES

Those certain premises located within the Premises (as defined in the Transition Agreement) located at 1760 Termino Avenue, Long Beach, CA 90804 and more particularly described as follows:

<u>Suite</u>	<u>SF (approx..)</u>
G18	1754
G19	550
G20	1233
G21	1451
100	2308
108	1040
201	715
219	1119
300	1539
301	715
306/308	3423
307	1082



July 5, 2018
For Immediate Release

MemorialCare and the City of Long Beach Enter into Transition Agreement for Community Medical Center Long Beach

(Long Beach, Calif., July 5) – The City of Long Beach and MemorialCare announced that they have finalized the terms and entered into a Transition Agreement, effective July 3, to facilitate the transition of operations of Community Medical Center by the City.

The agreement follows several weeks of communications between MemorialCare and the City, as well as the California Department of Public Health (CDPH), to arrange for the current hospital license to be placed in suspense.

“Putting the hospital license in suspense creates additional flexibility for the City and the new operator following the temporary closure,” says John Keisler, Director, Economic and Property Development, City of Long Beach. “In addition, MemorialCare has pledged to continue to support the City in its efforts to obtain the necessary regulatory approvals to transition operations to a new operator.”

“I extend my appreciation to our City team and MemorialCare for working tirelessly to achieve this transition agreement,” says Long Beach Mayor Robert Garcia.

“We are pleased to have assisted the City in its efforts to allow for a transition to the new operator,” says John Bishop, CEO, MemorialCare Community Medical Center, Long Beach Medical Center and Miller Children’s & Women’s Hospital Long Beach. “MemorialCare and our 8,400 employees, staff and affiliated physicians, residents, fellows, nursing students and others associated with our Long Beach hospitals and numerous local outpatient facilities are still here as we have been since 1907 to serve the community of Long Beach. We are proud of our 111 years of partnerships with the City, schools, colleges and universities, local health care organizations and numerous community groups to ensure those who live and work in our community have access to high quality, compassionate health care services.”

“MemorialCare has worked collaboratively with us and provided a path to transition to a new operator,” says Mayor Garcia. “It is now the City’s responsibility to work with our new partner, Molina, Wu, Network, to address the seismic, regulatory, financing and related issues so that we can reopen the hospital.”

About the City of Long Beach

Home to approximately 480,000 people, the multiple award-winning and innovative City of Long Beach offers all the world-class amenities of a large metropolitan city while maintaining a strong sense of individual and diverse neighborhoods nestled together along the California coast. As a full-service charter city, Long Beach is home to the Queen Mary, Aquarium of the Pacific, several museums and theaters, a highly-rated school district, Long Beach Airport, the Port of Long Beach, as well as many award-winning City departments such as Health, Parks, Recreation and Marine, Development Services and more. The City also has a highly-respected university and city college, two historic ranchos, five hospitals, five golf courses, 170 parks, miles of beaches, marinas, bike paths, and a Bike Share program. For more information about the City of Long Beach, visit <http://longbeach.gov/>. Follow us on social to keep up with the latest news: [Facebook](#), [Twitter](#), [Instagram](#), and [YouTube](#).

MemorialCare, a nonprofit Southern California integrated delivery system and innovator in evidence-based medicine, has over 200 care locations; 15,000 employees, affiliated physicians and volunteers; top hospitals in Long Beach and Orange County; award-winning physician groups MemorialCare Medical Group and Greater Newport Physicians; Seaside Health Plan; and convenient outpatient surgery, medical imaging, dialysis, urgent care, health and breast centers throughout the Southland. Its many honors include Best U.S. Health Systems, Largest U.S. Children's Hospitals, Top 50 Hospitals, Top 50 Cardiovascular Hospitals, "A" Grades for Quality and Safety, and more. Visit www.memorialcare.org.

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